

HOUSE BILL 3095

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Section 50-2-103, relative to payments to employees by employers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-2-103(e), is amended by deleting the subsection in its entirety and substituting instead the following:

(e)

(1) The payment of wages or compensation of employees in the employments defined in this section shall be made as follows:

(A) In lawful money of the United States;

(B) By a good and valid negotiable check or draft, payable on presentation of the check or draft at some bank or other established place of business without discount, exchange or cost of collection, in lawful money of the United States; or

(C) Pursuant to the employee's choice of either:

(i) Electronic automated fund transfer in lawful money of the United States into an account in the name of the employee at a financial institution designated by such employee; or

(ii) Credit to a prepaid debit card issued through a network system from which the employee is able to withdraw or transfer funds.

(2) An employee who receives his or her wages on a prepaid debit card pursuant to subdivision (e)(1)(C)(ii) shall have the ability to make at least one (1) withdrawal or transfer each pay period without cost to the employee for any amount

contained on the card, and the employer shall provide the employee with a full written disclosure of any fees that may apply.

(3) If after the employer has explained the employer's payroll system to an employee, the employee elects to be paid through an electronic automated fund transfer pursuant to (e)(1)(C)(i) but does not designate an account at a financial institution in accordance with (e)(1)(C)(i) in a timely fashion for the payroll transfer to occur, then the employer may arrange to pay such employee by prepaid debit card pursuant to (e)(1)(C)(ii).

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it.